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Atari Online News, Etc.
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->From the Editor's Keyboard "Saying it like it is!"
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Well, they say that all good things must come to an end. They weren't kidding! Other than this upcoming weekend, my two weeks vacation is just about over. Part of this vacation seemed to fly by while other days lingered (thankfully!). I got quite a bit done, and managed to get in quite a bit of relaxation - i.e., doing nothing! The gardens have been filled in with new mulch, finally. I still have quite a bit of mulch left, so I'll spread it around some trees and whatever to get rid of it. The veggies are doing well, although the cooler than normal temperatures haven't provided any kind of growth spurts as is normal with higher temperatures - not that I'm complaining about the cooler weather! We just about finished the flooring in the larger of the two new sunrooms that we added last fall. Amazing how much difference (and easier) the job becomes when you have the right tools to do the job. I was trying to cut strips of laminate flooring planks with a reciprocating saw - just too many "wavy" cuts. I finally broke down and purchased an inexpensive table saw and all of those issues went away! I hope to have the floor laid down in the smaller of the two rooms before the weekend arrives. Then all we'll have left to do is put down the molding and pick up some blinds. Then we'll put the furniture out there rather than the temporary patio furniture that I'm using now.

The weather overall was pretty good. Last week was warm and sunny, but this past week has been dreary and wet. At least I was "forced" to get the indoor projects done - I had no excuse not to do them! Like Joe, my wife has plenty of "honey-do" stuff for me.

Well, I want to take advantage of what little vacation time I have left to relax. I still have plenty of cold beer to finish off, and a few more sunsets to enjoy.

Until next time...

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Chatting Up the Atari!

Every Tuesday night at 9:00 PM EST a few Atari enthusiasts get together

to talk about anything, everything, and even Atari related items too. The Weekly Atari Chats have been going on for longer than anyone can honestly remember. My understanding it all started in the late 1980s on CompuServe in the Atari Forum. It then moved to The Atari Advantage Forum on Delphi.com in the late 1990s. About two years ago it moved to Atarinews.org where it still takes place today.

No fancy web browser or Java application is needed to take part in the chats. What is needed on your computer is a Telnet client. If you never used a Telnet clients don't worry it's very simple to use. The Telnet interface is very basic since in our case it is just a text interface. For those of you who have been around long enough it is very similar to connecting to a Bulletin Board System of years ago. You navigate with keyboard commands there is no graphics used or a mouse needed. The best part is a Telnet client requires very little computing resources or requirements besides an Internet connection. So even very old computers even those from the 80s can join the chat and not be left out. Also most operating systems in the past 10 years already come with a Telnet program already installed with the operating system.

To access your telnet client here is a quick list of Operating Systems and methods of accessing the telnet client.

Windows 3.11 (Windows for WorkGroups) : This is from memory but if you have TCP/IP installed there should be a Telnet program under the networking program group.

Windows 9x - XP : Goto START > RUN > Then type in 'TELNET' and press ENTER. The Telnet client will start. Or type 'TELNET' from the DOS Prompt.

Apple Mac OS 7 - 9 : There is no built in Telnet client that I am aware of. There are many free ones available on the Internet. Go to http://www.download.com and search for 'Telnet'. A Telnet Client that I have used under Mac OS 9 is the NCSA Telnet program. It is available at this location : http://archive.ncsa.uiuc.edu/SDG/Software/MacTelnet/

Atari ST : There are no built in Telnet applications for the Atari ST. Good news is that there are many 3rd party Telnet applications available. In CAB 2.7 and higher there is an included Telnet application. Another one is Teli and is available at this location : http://home.camelot.de/zulu/Teli/

Mac OSX, BeOS, NeXTStep, OpenStep, IRIX, OS/2, and most Linux and Unix distributions : Just open the Terminal Application Window and type in 'Telnet' and press ENTER or type in 'Telnet atarinews.org' and press ENTER. The atarinews.org is the address or where you wish to Telnet to.

Amiga and other Operating Systems : You need to scan your hard drive for 'Telnet.*' and see if one is there already. If not go to your favorite Operating System software web site and download a Telnet Client.

Once you have a Telnet client at your disposal you are now ready to hit the Chat. Below is a session capture using the Operating System's command line to call the Telnet program and proceed to the Chat area. A couple of things to keep in mind about the transcript below was that I already had a User ID and Password from a previous visit so setting one up is not shown below. Since this article is in text only I can't do Bold or Underlining of my responses to what I am typing in at the

prompts will be enclosed in these [] type of brackets.

$ [telnet atarinews.org] Trying 209.181.11.57... Connected to atarinews.org. Escape character is '^]'.

Red Hat Linux release 7.3 (Valhalla) Kernel 2.4.18-18.7.x on an i686 login: [bbs] Password: [bbs] Last login: Tue Nov 19 19:21:54 from 209.115.59.66

Welcome to The AtariNews.Org BBS

This BBS was setup mainly for its chat feature... to give the guys from the Atari forum on Delphi a place to chat. We'll see how it goes. A full BBS is obviously overkill but after trying a few web based chat systems and the Atari web browser having a problem with frames and refresh headers, this seemed like the next step.

userid ('new' for new user):[me] password [mypassword]

Welcome to the system. Have a look around if you like. On the main menu, you can select "Talk" for the chat area.

The AtariNews.Org BBS No Board Currently Selected Enter Command: [Talk]

Interactive Talk Menu No Board Currently Selected Enter Talk Command: [Chat]

Enter chatid: [Handle]

The AtariNews.Org BBS Chat System -- type /h for Help *** Welcome to Chat, Handle *** 1 other user(s) present *** 0 other visible room(s) in use *** Handle has entered room 'main' -->

And now I am in and ready to chat. Typing in '/h' will display all the help that is available to you in the chat room. It's a good idea to at least see what's available to you for future use. There are a couple of issues that may occur for some users depending on your setup at home or work. If you are behind a firewall or proxy server you may have to grant permission to be able to Telnet out. If you have any questions or issues feel free to contact me at fmh@netzero.net and I'll do my best to answer any questions.

See that was not so tough after all. Now on Tuesday nights if have nothing else to do swing on by and chat with a few old friends.

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PEOPLE ARE TALKING
compiled by Joe Mirando
joe@atarinews.org

Hidi ho friends and neighbors. Another week has come and gone, and the political scene... as well as the weather... is heating up. I'm not going to talk much about politics this week because, let's face it, if you aren't paying attention to it on the news these days, you sure as heck don't want to read about it here. I'll just remind my countrymen that it's not only a right but a responsibility to vote. It's why the system works, and why we have the freedoms that we enjoy now. If you don't vote, you don't get to complain. And if you're like me this idea will tickle you... Every four years you get a chance to overthrow the government.

Anyway, that's not what I came to tell ya about. I came to talk about the UseNet. The UseNet, as you almost certainly know, is where I get the posts each week for this column. For years now, I've seen a big decline in the number of messages during the summer months. People's minds turn to taking care of the lawn and vacations at the shore and things of that nature during the summer. Posting in the NewsGroups just doesn't compete well with all of that. So the number of messages each week is low during the summer. But for the past several years, it's been getting worse. Back when I started doing this column for STReport, I could count on hundreds of messages in the NewsGroup even during the summer. This week, there are a grand total of 52 new messages.

I guess it's not all that unexpected. I mean, when was the last Atari (I mean actually made by Atari) computer manufactured? Yeah, it's been a while. Given that fact, I find it kind of amazing that there are any of us left who have an interest in Atari computers.

I know you've heard me say it before, but I'm going to say it again: My Atari computers were hell-on-wheels in their day, and even being the wonders that they were, they still managed to have their own... personalities... for lack of a better word. I always felt them to be friendly and willing to help me with what I needed or wanted to do. I know that there's no real scientific basis for this, but I always... always enjoyed using an Atari, no matter if it was my first 1040ST, STacy, STE, MegaSTE, or TT. It was like getting together with an old friend. You know the kind of thing where you could sit with a buddy for hours on end and not say more than a few words and yet know that the time together was well-spent? Well that's the feeling that my STs always gave me. I really can't explain it other than that, but that's enough for me.

And I think that might explain why there are still a bunch of us all around the world who cling to the memory of using our Atari computers... even if we no longer actually use them all the time. I've still got my TT set up on my computer desk. Even though it doesn't get daily use anymore, I haven't the heart to put it away in a closet or sell it. Even though my wife casts looks at the TT almost daily, I can't bring myself to get rid of my old friend. Every so often I need a "fix". I simply have to sit down in front of the TT and just get reacquainted with it. And yes, it's still like getting together with an old friend. My "workhorse" machine is much more modern... much faster, much more storage, has more colors and better resolution, but it still lacks that indefinable quality that I've categorized as 'personality'. I'm betting that you have felt the same thing. Even though your mind knows that a more modern computer is more efficient and all that, your heart on occasion goes back to the time when computing was simpler. When these technological marvels were of many different families and languages, not just one or two. Ah, those were the days, eh?

Even emulators and virtual machines don’t fill the bill for me. Yes, they’re a taste of the old days, but a taste is not usually enough. And I’ve always been philosophically opposed to doing serious work with an emulator. In general, if you’re going to use a particular machine, I feel you’re better off using an application meant for that machine. Of course there are a few applications on our old beloved platform that have no equal in the modern PC world and, in those cases, tough choices must often be made. To stay with an old hardware platform that will certainly become harder and harder to maintain as time goes on, or to "jump ship" and make due with whatever software offering is available for the "new" hardware. We’ve all been faced with that choice by now, and a goodly number of us have chosen to straddle the line between the old and new, to jump back and forth between what was and what is, to enjoy the best of both worlds. And that suits my philosophy. Computers should give us more choices, not less.

Okay, enough of that stuff for this week, eh? Let’s get to the news, hints, tips and info from the UseNet.

From the comp.sys.atari.st NewsGroup

During a conversation about designing an ethernet card, ’Coda’ says:

"No point, there’s 2 brand new Ethernet interfaces coming to the Falcon very soon, and they don’t rely on a dodgy ISA based chipset..."

Brian Roland tells Coda:

"Do tell more about it! Something that doesn’t choke up the cartridge port I hope....."

Coda replies:

"No, no cartridge port involved, but I can’t say any more than that right now. Expect an official announcement within the week."

Janez Valent adds:

"Well Nature brothers developed NatNET, a100mbit ethernet card for the CT60. So if you don’t think on that one as well, thats a 3rd project...

It contain 2xUSB ports as well."

Beebee chimes in and posts:

"Well, 2 usb 1.1 12 mb/s if I read the doc correctly.

Well, it’s development or it’s another possibility????? What about drivers, do you have details????? What about price, disponibility and so on..... All details are welcome....."

Coda replies:

"USB 2.0 low (1.5) & and full speed (12mbits)

Nature will be doing the Ethernet drivers, I will be coding the USB stack.

See Rodolphe Czuba's announcement on Nature's behalf. If you're on the mailing list you should have it by the time you read this.

And there's still more to come ;-) Its gonna be a good year for Atari."

Piotr Mietniowski asks about testing out a hard drive:

"I have just bought a SCSI-2 HDD. This is a Seagate Barracuda 4.3 GB. I would like to test and check that everything is OK (bad sectors). What program is the best ?"

Peter Schneider tells Piotr:

"I suggest HDDRUTIL coming with Dr Uwe Seimet's HDDRIVER package."

Jim DeClercq adds:

"The things that go wrong with that model are not detected by a bad sector test. You might try typing the part number in a search engine window, and see what some people think of it.

You may have a good one. I had eight of the things, and learned a lot about what goes wrong from them. I do wish you luck.

So plug it in and try it. With a proper active termination adaptor, it will work if it can. But, I would advise current backups."

Sam F. asks for help in re-casing his Falcon:

"I really need help on how to extend the ports in the back of the falcon, plus the enhanced joystick ports.

That's the main thing that is holding me back. I've already removed the falcon from it's original case.

Aaarrrgggghhhhh, I need help."

Janez Valant tells Sam:

"... Get male connectors, female connectors and solder wires between, it's not quantum physics.... or mount motherboard that will touch rear side of tower and cut a hole in back side...."

Rob Schmersel adds:

"There is no need to solder at all, you can get all (or nearly all) connectors as a variant to press onto a flatband cable. Perfect for those not used to soldering. Just have a look at Digikey."

Derryck Croker adds his expertise to the conversation:

"You will want IDC (Insulation Displacement Cable) and the appropriate number and size of IDC D-way connectors to suit your project. I'd probably get a length of cable with enough wires for the widest connector and split it to fit the smaller ones.

Insert the cable into the back of the socket, you can see how the bifurcated teeth will bite into the cable - then stick it into a vice and squeeze it up. Job done.

Use a SHARP knife and a straight-edge to cut cable to length and use the red stripe to identify pin 1 connections."

Sam tries to make sense of it all:

"Let's see if I understand this:

Let's use the printer port as an example.

Let's say I pull a printer port from an AT case. Now, I cut the end of the cable that attached to the pc mb, and replace that end with a 25 pin male connector. Then, I just plug that end to the Falcon's printer port and the female end goes to the back of the pc case. Have I got it right or am I way off?"

Steve Sweet makes a good point:

"I believe its false economy to reuse crimped connectors, they aren't expensive, best to buy new. But apart from that point you are spot on."

Didier MØquignon posts this bit of rather exciting news:

"I have compiled Mplayer-1.0pre4 with SDL (thanks to Patrice Mandin for his work), you can read or convert DVD, today unencrypted (we need the css support inside Extendos, but I await good news from Roger Burrows). This archive works on MiNT or MagiC in GEM window or with xbios fullscreen. Configuration mini CT60-100 or Aranym (?) but we can always convert the movie into another format (68020-60/FPU). Aniplayer can read DivX ;-)

http://perso.wanadoo.fr/didierm/files/MPlayer-1.0pre4-atari.lzh (3.47 MB)"

Mike Freeman echoes the thoughts of many of us:

"That's awesome news! Way to go, guys! You rule!"

Malcolm Dew-Jones asks a question that's been asked at one time or another by just about anyone who's owned a STacy:

"I wish to remove the case of a STacy I have been given.

I can get the case part way off, but it appears the cables from the monitor hold the two parts together. I am guessing I need to remove the screen first, but how? Does anyone have instructions on removing the case

of a STacy?"

'Bob' tells Malcolm:

"You are correct about the screen. It comes off easily enough when all connections are pulled. You have to pass all the cables through the hollow centre of the spring loaded hinge assembly to get the top half of the stacy off. They just about go through one at a time. I have done this loads of times, It just needs a methodical approach and care. I have heard of people that have managed to change the HD without removing the top but that is like keyhole surgery and is very hard on the knuckles!"

Malcolm replies:

"OK I appear to be on track (finally).

The screws for the cover are hidden under the label

(/|\ Atari STacy)

(the label just below the monitor screen). I peeled off the label and stuck it on the body where it won't be in the way next time.

Several of the plastic catches broke, so the lid won't ever again sit together perfectly, but what the heck.

I haven't got further yet, but it all looks do-able now, thanks."

Well folks, that's it for this week. Tune in again next week, same time, same station, and be ready to listen to what they are saying when...

PEOPLE ARE TALKING

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->In This Week's Gaming Section - PlayStation 3 Unwraps In May!
""""""""""""""""""""""""""""""""" VGS Show This Saturday!

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->A-ONE's Game Console Industry News - The Latest Gaming News!
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Sony to Show Working PlayStation 3 Next May

Sony Corp. expects to show off a working version of its next-generation PlayStation video game console at a trade show next May, it said on Monday, increasing pressure on Microsoft Corp. to take the wraps off its Xbox successor by that time.

Sony's game-business head Ken Kutaragi said the consumer electronics company plans to unveil the new console at next year's E3, the annual video-game trade show scheduled to take place from May 18 to 20 in Los Angeles.

"There has been some talk that development is not going well, but we expect to have a playable version at E3. We are pushing ahead with that schedule in mind," Kutaragi told a meeting of developers, suppliers and media.

Kutaragi did not mention a launch date for the new console, expected to be called the PlayStation 3 or PS3, but company officials said it may follow a similar timetable to market as its predecessor, the PlayStation 2, which went on sale in Japan almost a year after it was first displayed.

Analysts said they expected the PS3 to be released for sale to U.S. consumers sometime in 2006.

"I would still expect a 2006 launch, at this point," said Schwab SoundView Technology Group analyst Colin Sebastian. "

The PS2 had a head start of about a year on its competitors, Microsoft's Xbox and Nintendo Co. Ltd.'s GameCube, and has a worldwide installed base far larger than the other two combined.

Next year's E3 could be the stage for a showdown of new consoles. Nintendo has already pledged to take the wraps off its new game machine, code-named "Revolution," at that time.

"The ball is now in Microsoft's court to make the next move," Sebastian said. "If Sony is going to be showing the PS3 at E3 next year, then undoubtedly Microsoft and Nintendo will want to be there showing theirs as well."

Microsoft officials have repeatedly said that the software company's new game machine, dubbed "Xbox Next" by media, would not be beaten to market by Sony. There has been speculation that Microsoft could put a more tangible time frame on the console as soon as this month, when it reports fiscal 2004 results.

"It looks like Microsoft is fairly advanced at the moment. The company might have gotten wrong-footed a bit, but it looks like everything is going to turn up at the same time," said Hiroshi Kamide, analyst at KBC Securities in Tokyo.

"One thing is for sure: This will change the landscape of the industry significantly," said Kamide.

Sony's next-generation console will be powered by its "Cell" microprocessor being developed with International Business Machines Corp. and Toshiba Corp. as the consumer electronics industry's answer to Intel Corp.'s Pentium computer processor.

The Cell chip is being billed as 10 times more powerful than conventional semiconductors, with the ability to shepherd large chunks of information through a high-speed Internet network.

Kutaragi's comments on the new console formed the buzz of a briefing that was expected to flag the release of another new Sony game machine, PlayStation Portable (PSP).

Known as the father of the PlayStation, Kutaragi stood by Sony's target to offer the PSP - its first handheld game machine - in Japan before year-end and to launch it in Europe and the United States by March 31.

Some analysts have said those launch dates are unrealistic because of delays encountered in development, but Kutaragi unveiled an even loftier goal.

"We've come to the point when there is a PlayStation for almost every television. It's our dream for there to be a PSP for every person," Kutaragi told reporters after the briefing.

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->A-ONE Gaming Online - Online Users Growl & Purr!
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Atari and Classic Show July 17 - Free Admission

In Lombard Illinois.

Visit the VGS website: http://avc.atari-users.net/Events/FestVGS.html
For more information about Video Game Summit contact Daniel Iacovelli at AtariVideoClub@yahoo.com

The 2004 Video Game Summit is being held on July 17th, 2004 from 9am to 6pm at the Lombard Inn and Suites hotel (Heron Point Building) formerly the Quality Inn and suites hotel 645 West North Avenue, Lombard, IL.

I'll have a table there with some interesting items, boxed virtual boy, some other boxed systems. Might bring a Best Electronics Waterworld "proto" Will be selling AND trading, so check my "wish list". Feel free to post if you are coming, I'd be interested to know.

Thanks,

Tom

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A-ONE's Headline News

The Latest in Computer Technology News
Compiled by: Dana P. Jacobson

Microsoft Windows Update Set for August, After Delay

A major update to Windows XP, offering security enhancements and better stability, will be available for download and on CD-ROMs from August, two months after its originally scheduled date, Microsoft Corp. said on Monday.

The world's largest software maker had originally aimed to release the update, called Service Pack 2, in June.

Mike Nash, Microsoft vice president for security, said that his group needed more time to ensure that the update was stable and would work with other programs when installed on personal computers running Windows XP, the latest version of the operating system found on more than 90 percent of the world's PCs.

Redmond, Washington-based Microsoft has made it a top priority to improve the security and reliability of its software, after Chairman Bill Gates launched its "Trustworthy Computing" initiative in a companywide memo in early 2002.

"We will be proactive in having enterprise move to Windows XP and Service Pack 2," Nash said, adding that new computers sold from this fall would start to feature Windows with Service Pack 2 already installed.

Major worms, such as Blaster and MyDoom, have exploited flaws in Windows, causing computers to crash and putting them at risk of data loss, highlighting the challenge that Microsoft has in making its flagship product more secure.

The update will be available to customers for free over the Internet and can also be installed with CD-ROMs. Service Pack 2 for Windows XP Home Edition will be about 70 megabytes and the update for Windows XP Professional will be about 92 megabytes, Nash said.

EBay Flirts With Digital Music Downloads

Online auction giant eBay Inc. will allow some customers to buy and sell digital music files as part of a pilot program that could piggyback on the success of Apple Computer Inc.'s iTunes service.

San Jose, Calif.-based eBay said an unspecified number of "preapproved" users could conduct digital music transactions in eBay's new "Digital Downloads" category for the next 180 days. Executives will then determine whether to formally enter the market.

"We don't want to blow this out of proportion - this is a pilot program to see if there's even any demand," said eBay spokesman Hani Durzy. "Much of what happens on eBay happens because the community takes us there, and this is essentially giving the community a way to see if we should create this new venue."

The experiment, announced this week in a posting on eBay's Web site, reverses a longstanding policy at the world's largest auction company.

For years, eBay included digital music on its list of forbidden merchandise, along with human corpses, weapons and drugs. The company still forbids most digital downloads, including software, video delivered through peer-to-peer file-sharing communities and e-books.

Customer service representatives will monitor eBay's fledging music site and try to ensure that the sellers own copyrights to the songs.

EBay's venture comes the same week that Cupertino, Calif.-based Apple announced that 100 million songs had been sold at its iTunes Music Store.

Internet Explorer Slips, Loses Market Share

Microsoft's Internet Explorer is losing some of its extraordinary popularity as it becomes increasingly clear there is a downside to integration with the Windows operating system.

The Web browser, which accompanies the Windows OS on 96 percent of the world's PCs, has lost a slight share of its market dominance.

To be exact, the market share for Explorer has dropped by more than a percentage point from 95.48 percent to 94.42 percent, according to San Diego-based research firm WebSideStory. The decline could be an indication of a crack in Explorer's armor.

The security problems suddenly cropping up with Microsoft's browser - along with the recommendations from the U.S. Computer Emergency Readiness Team that users switch to another browser - apparently are taking a toll.

Microsoft has been wrapping up its antitrust lawsuits with states, which largely revolved around its insistence that Explorer must remain integrated with the Windows operating system. Microsoft had its way. Some industry experts say its settlement with the U.S. government and the states has been a slap on the wrist in view of the fact that Explorer enjoys a virtual monopoly.

But the browser has been difficult to upgrade. It is not nimble, and that has allowed competitors like Mozilla to shine. "The integration of Explorer with Windows now seems like a high price to pay," said Mitchell Baker, President of the Mozilla Foundation. "What I'm excited about is that Mozilla is getting known," she told NewsFactor.

Mozilla is the open-source browser and e-mail client based on the old Netscape product. The Foundation does not keep track of all the free downloads that occur and how people use the browser. But the buzz around Mozilla definitely is heightened these days, Baker says.

"We're in the middle of a change that we haven't seen before," she observes. "We're pretty close to the product, and we've been getting review after review that it's better than Explorer."

Still, real change in the market share will come through enterprise adoption, which remains a challenge for Mozilla. In shops that run Linux, Mozilla appears to be the browser of choice in offerings from Red Hat, SuSE

and Debian.

But Microsoft Windows Server clients might suffer through the security risks of Explorer for a while longer, in hopes that Microsoft can tighten up. Mozilla does not integrate tightly into Microsoft's business-software system, but that may not matter if Microsoft cannot put an end to the vulnerabilities in the browser the company went to war to preserve.

Firefox 1.0 Set For September

The Mozilla Foundation on Tuesday set September as the release date for its free open-source Firefox browser.

Firefox, which has been collecting accolades from users and analysts - especially as recommendations mount to switch from Microsoft's vulnerability-plagued Internet Explorer - is currently in beta, but is shooting for final by Sept. 14, said Mozilla's Ben Goodger in a revised roadmap posted to the organization's site.

"While we may slip past this, we want to set that date so that it gives us a near term goal to target," Goodger wrote. A release candidate - more than beta and a step closer to final - will post next month, Goodger added.

Firefox is currently in beta version 0.9, which released last month, and runs on Windows, Linux, and Mac OS X platforms.

The browser can be downloaded from the Mozilla Web site.

Senate Bill Targets 'Phishers'

Internet scam artists who use fake Web sites to dupe people into revealing sensitive financial information could face up to five years in jail and forced to pay $250,000 in fines under a bill introduced late last week in the Senate.

The legislation, introduced last Friday, is designed to fight "phishing," one of the newest and most dangerous forms of online fraud.

In a typical phishing scheme, a scammer sends out an e-mail message disguised to look like an official notice from a respectable business such as a bank or online store. The message tells recipients that their account information has lapsed and prompts them to click on a link to enter it again. Users then are carried to a counterfeit Web page where they are prompted to enter credit card numbers or other private data, unwittingly handing their information over to the thieves.

Phishing threatens the integrity of secure shopping on the Internet and could hurt electronic commerce, said the bill's sponsor, Sen. Patrick Leahy (D-Vt.). "If you can't trust where you are on the Web, you are less likely to use it for commerce and communications," Leahy said in a statement released on Friday.

Phishing scammers already violate a host of identity theft and fraud laws, but prosecuting them under those statutes can be challenging, said Rich

Phillips, a Leahy aide. To charge scammers now, law enforcers need to prove that a victim suffered measurable losses. By the time they do that, he said, the scammer has often disappeared.

Phishing victims lost $1.2 billion to identity theft-related fraud between April 2003 and April 2004, and were three times more likely than the average American to have their identities stolen, according to an online survey of 5,000 people conducted in May by Stamford, Conn.-based firm Gartner Research.

"The Internet's becoming a very dangerous place to conduct financial business unless you're willing to scrutinize your activities very closely," said Gartner Vice President Avivah Litan.

The Anti-Phishing Working Group, a group of Internet service providers, banks and other companies that suffer because of phishing, identified more than 1,000 different scams in May, said the group's chairman, David Jevans. The average phishing attempt will reach between 50,000 and 1 million e-mail in-boxes, he added.

Visa USA, whose logo and Web site are often duplicated by scammers, launched an anti-phishing educational campaign earlier this month with the Treasury Department, the FTC, Call for Action and the Better Business Bureau.

The FTC has filed several fraud cases against suspected phishers. Top commission officials have spoken out against phishing but the FTC has not taken a stance on Leahy's legislation, said spokeswoman Claudia Bourne Farrell.

Phillips said that Leahy is hopeful that Congress will approve the bill, but acknowledged that it might not get a vote because before Congress adjourns because of the busy election year schedule.

Bush Signs Identity Theft Bill

President Bush signed a tough new identity theft bill into law today, legislation passed by Congress in response to evidence that the problem is growing rapidly as more Americans use the Internet to shop and manage their personal finances.

The Identity Theft Penalty Enhancement Act adds two years to prison sentences for criminals convicted of using stolen credit card numbers and other personal data to commit crimes. Violators who use that data to commit "terrorist offenses" would get five extra years.

"Like other forms of stealing, identity theft leaves the victim poorer and feeling terribly violated," Bush said today at a White House signing ceremony. "The criminal can quickly damage a person's lifelong effort to build a good credit rating."

Rep. John Carter (R-Texas), the bill's sponsor, said the signing is "one of the shots taken in a battle that we've got to win."

"It's a crime that we need to address and address seriously both for the protection of the credit of American citizens and for the protection of homeland security," Carter said.

Identity theft topped the list of consumer fraud complaints to the Federal Trade Commission in 2003, accounting for more than half of all the complaints tracked by the agency. The FTC recorded 214,905 cases of identity theft in 2003, up from 161,836 in 2002.

In a report published last September, the FTC estimated that identity theft claimed 9.9 million victims in 2002, costing businesses and consumers $53 billion. The report, based on a telephone survey of more than 4,000 adults, estimated that as many as 27.3 million Americans fell victim to identity theft in the last five years.

Phishing victims alone lost $1.2 billion to identity theft-related fraud between April 2003 and April 2004, and were three times more likely than the average American to have their identities stolen, according to an online survey of 5,000 people conducted in May by Stamford, Conn.-based firm Gartner Research. One of the newest, most virulent forms of ID theft on the Internet, "phishing" scams involve online thieves who dupe consumers into entering personal data on counterfeit banking and e-commerce Web sites.

The law will make it more likely that thieves are prosecuted, said Betsy Broder, assistant director for the Federal Trade Commission’s Division of Planning and Information. "A prosecutor is less likely to bring a case if they’re not going to get any serious jail time when the get a conviction," Broder said.

"There’s a reality in how prosecutors do their business and that reality is that they’re going to take the cases that are easiest to prove and carry the most weight," said Carter, a former county judge. "Identity theft was basically being ignored."

The new law could help ferret out larger criminal enterprises because identity thieves often work in groups, said Jim Vaules, vice president and fraud expert at Dayton, Ohio-based archival firm LexisNexis.

"These are networks and often you only have one small tentacle of it in courtroom," Vaules said. "If [prosecutors] have a tool that changes the sentencing guidelines from probation to a prison sentence, it could have significant results in people cooperating with the government and exposing larger parts of the criminal network."

The law also orders the U.S. Sentencing Commission to consider increasing the penalties for employees who steal sensitive data from their own companies.

Michael Wolfe, the co-founder of Vontu Inc., a San Francisco Calif.-based security software company that focuses on preventing internal fraud, said this is an important focus of the law. He said Congress may have to pass legislation requiring companies to take basic steps to protect consumers’ personal data.

Microsoft Shuts Down Spammer

Microsoft has won an almost $4 million verdict against a California man for trademark infringement, false advertising, and "cybersquatting" stemming from a spam campaign to distribute a desktop toolbar program on recipients’

Windows desktops.

Daniel Khoshnood of Canoga Park, California, was ordered to pay $3.95 million after the U.S. District Court for the Central District of California found in favor of Microsoft in the civil case. Microsoft filed the civil charges in June 2003, after receiving a flood of spam on its MSN and Hotmail e-mail services from Khoshnood. The e-mail messages claimed to offer a toolbar that, once installed, would automatically update recipients' Windows systems with security patches, Microsoft says in a statement.

Microsoft filed the suit before passage of the Federal CAN-SPAM Act, which has already drawn several prosecutions.

Microsoft won a summary judgment against Khoshnood and his companies, Pointcom and Joshuathan Investments, in January. That judgment ordered Khoshnood to stop using Microsoft's trademarks and name, refrain from spamming, and pay damages and legal fees, according to a court document.

In an e-mail statement, Microsoft hails the judgment as another victory in its antispam initiative, begun in 2003. "Targeted enforcement activity is beginning to have a tangible, negative financial impact on spammers and is changing the economics of spam," the company said.

According to Microsoft, the company has filed 60 lawsuits in the United States against spammers in the United States and other countries. Of those cases, Microsoft so far has settled four, won six by default, had one summary judgment, and had one case dismissed.

The company has been awarded $54 million in judgments from spammers, five of whom were among the top ten known spammers, Microsoft says.

Homeless Hacker Gets Sent Home

Adrian Lamo, who gained a reputation as the "homeless hacker" for his itinerant lifestyle, will be considerably easier to find - at least for the next several months. Lamo was sentenced this week to six months of home confinement after pleading guilty in January to charges that he broke into the internal computer network of The New York Times.

Lamo, 23, also was sentenced to two years of probation and ordered to pay more than $64,900 in restitution, after he hacked into The New York Times' internal computer network, accessed and modified confidential databases, and used the paper's LexisNexis account to conduct research, according to a spokesperson for the U.S. Attorney's Office for the Southern District of New York.

In an appearance in Manhattan federal court in January before Judge Naomi Reice Buchwald, Lamo acknowledged hacking into the Times' network in February 2002 and accessing a database containing personal information on more than 3000 individuals who contributed editorials to the paper's Op-Ed page.

Lamo also acknowledged setting up user accounts through the Times account with the LexisNexis online information service, which Lamo used for more than 3000 searches over a three-month period, according to information provided by the U.S. Attorney's Office.

Lamo faced a statutory maximum of up to five years in prison and a fine of $250,000 for his crimes, according to a statement by the U.S. Attorney's Office at the time of his conviction. The restitution includes $18,500 to cover the cost of the LexisNexis searches, says Sean Hecker, Lamo's attorney. The Times initially estimated those costs at about $300,000.

During his probation, Lamo will have restricted access to computers and e-mail and will be monitored by probation officers, Hecker says.

Lamo, a California resident, will live at his parents' home in Sacramento, California, during the home detention. He will be allowed to leave home to attend school but probably will have to wear a monitoring bracelet that tracks his movements throughout the detention period.

Lamo gained notoriety long before hacking The New York Times for his rootless life on the streets of San Francisco and for his skill in penetrating the networks of high-profile companies such as Yahoo, Microsoft, and Worldcom.

Lamo confessed to the Times break-in during an interview with Securityfocus.com, a computer security news Web site, in February 2002. That confession prompted an internal investigation by the Times that uncovered evidence of Lamo's activities, and resulted in a case being opened by the U.S. Federal Bureau of Investigation.

Before turning himself in to authorities in Sacramento, Lamo spent a number of days in hiding after the government issued a warrant for his arrest in September 2003.

"I think the sentence is fair and just and the resolution is a good one. Adrian is looking forward to putting all this behind him," Hecker says.

Another New Bagle Variant Spreads

Antivirus software companies began warning e-mail users this week that the persistent Bagle virus has re-emerged in a new version, Bagle.AF or Beagle.AB.

The virus comes in the form of a password-protected.zip file and has the password included in the message body as plain text or within an image. According to antivirus company F-Secure of Helsinki, Bagle.AF has quite similar functionality to Bagle.Z, which appears to indicate that the author of Bagle.AF had Bagle.Z's source code.

The first Bagle virus, which spreads throughout the Internet via infected e-mail messages and by targeting machines running Microsoft's Windows operating system, was discovered in January.

Since then it has continually been popping up with new variants, and given a plethora of names by the various antivirus companies. In March, a variant - with three names: Bagle.U, W32/Bagle.n@MM, and W32/Beagle.m@MM - struck the Internet and foiled users with a small bitmap image to escape detection by antivirus programs.

F-Secure upgraded Bagle.AF to its "Radar Level 2" alert early Friday morning after receiving several samples of it from infected users in North

America and Europe, according to Mikko Hyppönen, the director of antivirus research at F-Secure.

"The beginning of the outbreak looked pretty bad, as the initial burst of infections was big and worldwide," Hyppönen says in an e-mail response to questions. "However, since then the amount of infections has leveled out and we don’t expect this to become any bigger problem. It seems that the virus was seeded much more aggressively than some of the other recent Bagle variants."

Trend Micro, based in Tokyo, rated the risk from the Bagel variant as "medium," though it says the damage and distribution potentials of the virus are high.

McAfee, in Santa Clara, California, raised its risk assessment to "medium-on-watch" and warned it had the potential of being upgraded to a high-risk threat. The company says, that as of late Thursday, it had received over 100 reports of the virus, most of which came from the U.S.

Symantec upgraded its warning on what it is calling W32.Beagle.AB@mm to a "Level 3" after it received 66 submissions of infections from customers, 17 of those being from corporate customers.

Fair Use Bill Gains Ground

A bill protecting so-called "fair use" rights will get a serious hearing in the U.S. Congress. That’s the prediction from advocates on both sides of a debate over whether the U.S. Digital Millennium Copyright Act tramples consumer rights.

With the support of Representative Joe Barton (R-Texas), named chairman of the House Energy and Commerce Committee in February, the 18-month-old Digital Media Consumers’ Rights Act should eventually pass through Congress, predicts Michael Petricone, vice president for technology policy at the Consumer Electronics Association trade group.

Petricone and three others advocates on both sides of the issue debated the anticircumvention provisions of the DMCA in front of congressional staffers at a Congressional Internet Caucus event this week. The DMCA outlaws most attempts to circumvent copy protection on digital content, as well as devices primarily used to infringe copyright.

Opponents of the DMCA’s anticircumvention provisions, including Barton and Digital Media Consumers’ Rights Act sponsor Representative Rich Boucher (D-Virginia), argue the DMCA goes too far in making it illegal for consumers to break copy protections in an attempt to exercise their legal fair use rights, such as making backup copies of DVDs or excerpting a DVD or CD in a school report.

"I think there is a growing consensus the DMCA went too far," Petricone says. "We are quite confident [Boucher’s bill] will pass. It may be now, it may be later."

With Barton’s support, the Boucher bill could find some traction in Congress, adds David Green, vice president and counsel for the Motion Picture Association of America, which opposes the proposed change to the DMCA. Green says he hopes debates like the one this week will convince

lawmakers that the Boucher bill isn’t needed.

Boucher’s bill would "put a hole in the ship," Green says, by allowing the creation of devices or technologies that have significant copyright-infringing uses. The explosion of digital content available in the last six years is due to the protections of the DMCA, he says.

"What’s the pressing need here?" Green asks. "Do we see people out there who say, ’I must back up my DVDs because I buy them and they disappear immediately’?"

But Petricone and Fred von Lohmann, senior intellectual property lawyer for the Electronic Frontier Foundation, argue that the DMCA turns copyright law on its head by outlawing most technologies that can have other uses in addition to violating copyright, instead of allowing those technologies, as older copyright law did.

While the DMCA has done little to stop large-scale copyright thieves, it has kept consumers from making personal copies of DVDs or CDs, halted some cybersecurity research, and discouraged consumer electronics vendors from introducing new products, von Lohmann says.

"Federal laws should strive to not do more harm than good," von Lohmann adds. "[The DMCA] hasn’t stopped the pirates--in fact, it hasn’t even slowed the pirates down."

But Green and Jonathan Zuck, president of the Association for Competitive Technology, note that the DMCA allows exemptions for activities such as research, and the U.S. Copyright Office has the power to review the DMCA every three years and make exemptions to the anticircumvention provisions.

The DMCA creates a strong framework for protecting digital copyrights, Zuck says. Boucher’s bill "statutorily creates an excuse for infringement," he says.

Petricone disagrees, saying the DMCA has discouraged consumer electronics vendors from introducing new products for fear of getting sued.

"What you call defining a framework, we call creating an endless cycle of litigation," he says to Zuck. "Business people are very risk adverse. The question they ask their lawyers about a new product is not, ’Can we win a lawsuit?’ but, ’Are we going to get sued?’"

Cheap Copies Are A Risky Bargain

Windows XP for fifty dollars? Yes, it is too good to be true; in fact, it’s so good it’s criminal. A growing number of online piracy operations are selling cheap copies of software, calling them "backup" copies in an attempt to circumvent copyright law.

"This is probably the fastest-growing means of pirating software; it’s becoming a serious problem," says Keith Kupferschmid, the Software and Information Industry Association’s vice president of intellectual property policy and enforcement.

While the wording of the copyright law provides no actual legal shield for these software resellers, the commerce sites have proliferated. From

October 2003 through May 2004, the SIIA tracked 163 operations that purport to sell CDs of backup versions of software. Two-thirds of the domain names were registered within the previous eight months.

Copyright law permits "the owner of a copy of a computer program to make...another copy." This is the language the sites' proprietors claim allows them to make copies of various software products and sell them to consumers who already own a license of the software. But nothing indicates the sellers verify that their customers already have a license for the software for which they seek a "backup copy." The buyers are actually seeking software on the cheap, industry groups say.

Most backup sites also offer pirated service packs and updates for the applications they sell, in an attempt to bypass any need for legitimate license agreement with the software publisher, according to the SIIA.

"The copyright law is being misused to disguise software piracy," Kupferschmid says. The SIIA has been actively monitoring backup sites for the past 14 months.

The Business Software Alliance, a software manufacturers' advocacy group, has sued some of the sites for copyright violation and piracy. However, many of the sites originate overseas and are difficult to prosecute.

The Department of Justice declines to comment on any ongoing investigations of the backup sites, although it too has sued pirates in the past.

Backup sites are often nondescript, yet appear respectable enough in design so as not to arouse suspicion. Web shoppers might be willing to provide a credit card number without much worry - especially if they're tempted by the low price of the software.

The sites do, however, make it clear that none of the retail packaging and literature is shipped with the copies, and that the software cannot be registered with the company that published it. Software vendors note that this is a clue to its illegitimacy.

Some backup sites not only provide the specific application, but also a serial number or crack (a small application that deactivates the software's copyright protection mechanism), according to the SIIA.

One thing you will not see on many of these sites is a phone number to contact the seller. A proper privacy statement is likely to be missing as well.

A recent study by the BSA shows surprisingly high levels of pirated software in the United States and around the world. Researchers find 36 percent of the software installed on computers worldwide in 2003 was pirated, representing a loss of nearly $29 billion to the industry. The study finds 22 percent of software used in the United States is pirated.

The backup copy scheme is just one of many forms of piracy that have contributed to those numbers, the BSA says. Another emerging piracy scheme is the so-called OEM sites, which also sell cheap software copies with no packaging or product literature.

"Original equipment manufacturer" copies are the discs you get when you buy a new computer - CD copies of the various software applications already preloaded onto the machine.

Software publishers send these copies to computer distributors expressly for distribution with new hardware. Kupferschmid says distributors often end up with a surplus of these CDs, and some break the copyright by selling the CDs either to other distributors or to OEM sites.

By doing so, the OEM site is not overtly violating the criminal law, but is clearly violating the OEM contract between the software publisher and the hardware distributor. The contract stipulates the OEM software is not to be sold independent of the hardware it's installed on.

New Trojan Horse Travels By Spam

Antivirus and e-mail security companies are sending out warnings about a new Trojan horse program that they claim is being mass-distributed on the Internet through spam.

The program, called Backdoor-CGT, is a new form of a Trojan horse installed after e-mail recipients using Microsoft Outlook follow a Web link embedded in an e-mail message. The Trojan horse is believed to have infected thousands of systems on the Internet since appearing early Tuesday, even though antivirus software and up-to-date versions of Outlook are immune to attack, according to Maksym Schipka, senior antivirus researcher at MessageLabs in the U.K.

MessageLabs received more than 3600 e-mail messages with links to the Trojan horse during a two-hour period early Tuesday, the result of a massive and uncharacteristic spam distribution more than ten times what is normal for such a program, Schipka says. Trojan horse programs give remote attackers access to or control over machines on which they run, and often run unnoticed by computer users, or pose as legitimate software applications.

The Backdoor-CGT Trojan uses a "multistage" attack to place malicious code on victims' computers. After clicking on an e-mail link embedded in the spam message, victims go to a series of Web sites, each of which carries out one stage in the attack. The attack takes advantage of a now-patched flaw in Outlook called the "IFRAME" exploit to hide the Web site redirections from the user and silently download and install the Backdoor-CGT program, Schipka says.

Once installed, Backdoor-CGT selects a communications port at random and opens it, creating a back door on infected systems that is used to communicate with a server on the Internet supposedly controlled by those behind the attacks. The Web site used by the compromised machines is registered in the.biz Web domain to an individual in the Czech Republic and was still online, though slowed by heavy traffic, on Tuesday, he says.

Antivirus product vendor McAfee has also released an advisory about the new Trojan program, also known as "SS." The company has updated its virus definition files to detect the new Trojan program. However, McAfee's Tuesday bulletin rates the virus "low," indicating it does not pose a great threat to either home or business users.

Other antivirus companies did not immediately respond to requests for information about Backdoor-CGT. It is not clear whether other companies are aware of it, or whether other antivirus software programs can spot the new malicious program.

However, before the Trojan program can be downloaded and installed, the attackers try to place a common version of another program, called a "dropper," that antivirus programs can spot, thwarting infections, Schipka adds.

Microsoft Outlook users are advised to apply the latest software patch for the product to prevent infection, he says.

File-Sharing Thrives as Net Users Find New Outlets

Internet users download twice as many films, games and music as they did a year ago, despite a big crackdown on the activity, according to a study on Tuesday.

Better broadband Internet connections and compression technologies mean larger files can be downloaded more rapidly, creating as big a piracy headache for movie studios as for music labels.

Each day, the equivalent of roughly three billion songs or five million movies zips between computers, according to the study by Cambridge, England-based technology firm CacheLogic.

It estimates Internet users around the globe freely exchange a staggering 10 petabytes - or 10 million gigabytes - of data, much of it in the form of copyright-protected songs, movies, software and video games.

The rogue exchanges continue to dwarf the nascent market for legitimate music downloads ushered in by the likes of Apple Computer’s iTunes.

The popularity of file-sharing is costing the largest Internet service providers $10 million per year each in bandwidth and network maintenance costs, CacheLogic said.

In the light of its findings, the company also questioned the wisdom of the music industry’s crackdown on file-sharers.

"One of the biggest myths put forth by the music industry - that they are winning the war on file-sharing - is simply wrong," said Andrew Parker, co-founder of CacheLogic.

"It’s a case of displacement," he added. "Users are just moving to new networks."

Music industry trade body the International Federation of the Phonographic Industry (IFPI) defended the legal strategy, saying its own research shows the number of illicit music files on the Internet dipped by 100 million between January and June.

"It hasn’t been dramatic, but the number of infringing files has fallen from 900 million to 800 million," an IFPI spokesman said, adding the rise in volume cited by CacheLogic may be down to the increase in film and spoofed song files now online.

When the music industry began suing the most prolific song-swappers last September, a number of them switched from the most popular peer-to-peer (P2P) networks such as Kazaa to a host of upstarts to shake off the

dragnet.

Today, the likes of Bit Torrent and eDonkey have become the P2P networks of choice, particularly for European and Asian file-sharers, CacheLogic said.

The face of file-sharing has changed too. The vast majority of files passing through P2P networks now exceeds 100 megabytes, meaning Internet users are as likely to download larger movie, software and game files as they are the smaller song files.

"It’s all about video now," Parker said.

Online Hacker Shop Shuts Down

An online shop that was selling the source code for two computer programs has abruptly suspended its operations, citing a "redesign" of its "business model."

The Source Code Club opened its doors on Monday, using an e-mail posting to an online discussion group to advertise the availability of source code and design documents for two products: the Dragon intrusion detection system (IDS) software from Enterasys Networks and peer-to-peer server and client software from Napster, now owned by Roxio. By Thursday, the group’s Web page displayed a message saying the Club had ceased operations due to "fears our customers faced."

The group used a Web page with an address in the Ukraine to advertise its wares, saying it was selling "corporate intel(ligence)" to its customers, along with other, unnamed, services, according to a message posted to the Full-Disclosure mailing list by a group or individual using the name "Larry Hobbles."

The group offered the Enterasys Dragon IDS 6.1 source code for $16,000 and the Napster code for $10,000, according Kevin Flanagan, an Enterasys spokesperson.

On Thursday, the Club’s Web site was renamed the "former SCC page," with the group saying it plans to re-emerge, but that it needed to change its business model to ease customers’ fears.

"Selling corporate secrets is... very tricky, and we believe it is an area that we can conquer," the statement reads.

Enterasys is working with the U.S. Federal Bureau of Investigation to investigate the Club’s claims, but company representatives are still not convinced that its product source code was stolen, Flanagan says.

Even if the theft did occur, the company is confident that the code was obtained from "media" such as a computer hard drive or CD, rather than the company’s network, Flanagan says.

That opinion is based on a structural analysis of the source code files exhibited on the Club’s Web site, he says.

Flanagan could not say how media containing the source code might have leaked, citing an ongoing criminal investigation, but says it is

theoretically possible a company developer copied it onto a CD or other portable media "for convenience," even though the company prohibits such copying.

Dragon IDS 6.1 is around one year old, and customers who upgraded to Versions 6.2 and 6.3 were protected, because significant differences in the later versions make it difficult to carry out attacks on the upgrades using the 6.1 code as a model, he says.

Enterasys did not contact "Larry Hobbles" or the Source Code Club. Instead, the company turned directly to law enforcement, Flanagan says.

He declines to speculate on why the Web page was offline, saying only that "people who are doing overtly illegal things have lots of reasons to disappear."

The company will continue to pursue the source code theft, as well as any Source Code Customers who want to benefit from the alleged theft, he says.

Enterasys and Roxio are just the latest companies to contend with the alleged theft of intellectual property from shadowy online criminals.

In May, Cisco Systems confirmed that it was working with the FBI to investigate source code file thefts from the company’s Internetwork Operating System after IOS source code files were posted on a Russian Web site, a small piece of what was said to be more than 800 MB of code.

In February, Microsoft said it was investigating a source code leak from the Windows NT and Windows 2000 operating systems to P-to-P file sharing networks.

Judge Denies Motion to Dismiss Napster Case

A federal judge in San Francisco on Wednesday denied motions to dismiss lawsuits claiming past Napster investors like Bertelsmann AG and venture capital firm Hummer Winblad kept the song-swap site going, costing the music industry $17 billion in lost sales.

In her ruling on Wednesday, U.S. District Judge Marilyn Patel, who issued an injunction against the original Napster in 2000, permitted the case to proceed through its discovery phase, saying the plaintiffs, including music publishers, songwriters and record labels, had the right to try to prove their allegations.

Napster went bankrupt in 2002 and was bought by software firm Roxio Inc., which relaunched it as a pay-for-use service last year. Roxio was not named in these latest cases.

But Napster’s renegade past is the focus of the suits that claim that German media company Bertelsmann’s $90 million investment in Napster in 2000 kept it operating eight months longer than it would have otherwise.

In addition to the Bertelsmann case, Vivendi Universal’s Universal Music and EMI Group Plc also sued Hummer Winblad, claiming the venture capital firm’s $15 million investment and installation of a chief executive at Napster in 2000 also promoted piracy.

"Plaintiffs' allegations that defendants exercised full operational control over Napster during periods in which Napster remained a conduit for infringing activity may be wholly unfounded. ... Regardless, such questions must be left for resolution upon motions for summary judgment or at trial," Patel wrote in her 14-page ruling.

In response, Bruce Rich, a lawyer for Bertelsmann, said, "Our position remains that those allegations are not factually true and will be disproven through the discovery process.

"And at the end of the process, we anticipate seeking summary dismissal of the lawsuit as this opinion invites us to do at the appropriate time," Rich added.

Record label EMI applauded the decision.

"We are pleased with Judge Patel's decision today. EMI stands firm in its belief that we have a strong case," said Jeanne Meyer, a spokeswoman for EMI Group Plc.

"By investing both millions of dollars and management resources in Napster, which was an illegal enterprise built on the unlawful distribution of copyrighted works, Bertelsmann and Hummer Winblad enabled and encouraged the wholesale theft of copyrighted music," she said.

Attorneys for Hummer Winblad were unavailable for comment. A lawyer for music publishers was also not available.

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